

Agricultural Marketing Service

February 28, 2013

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Grain Transportation Report

A weekly publication of the Transportation and Marketing Programs/Transportation Services Division www.ams.usda.gov/GTR

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WEEKLY HIGHLIGHTS

USDA Comments in STB Competitive Switching Proceeding

In comments filed today, USDA recommended that the Surface Transportation Board (STB) adopt guidelines that would make railroad competitive switching available for all grain and oilseed shipments where the revenue to variable cost ratio (R/VC) is above 180 percent. USDA estimates this change would save grain and oilseed shippers \$30.5 million through lower rail rates. The \$30.5 million reduction is not expected to adversely harm the railroad industry as it represents only 0.6 percent of total Class I railroad revenues from grain and oilseeds and 4 percent of the net income from those movements. In addition, USDA recommended that the Board shift the burden of proof from the shipper to the railroad by assuming the shipper is entitled to receive competitive switching, with the burden placed on the railroads to prove otherwise. USDA also recommended modeling the access pricing for competitive switching on the Canadian access fees for reciprocal switching. To see USDA's comments click on this link: http://www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5102947

<u>Total Grain Inspections Decrease; Corn Rebounds</u>
For the week ending February 21, total grain inspections (corn, wheat, and soybeans) reached 1.62 million metric tons (mmt), down 19 percent from the past week and 21 percent below last year at this time. Despite the drop in total grain inspected for export, corn inspections rebounded, increasing 19 percent from the previous week as shipments to Asia and Latin America increased. Mississippi Gulf corn inspections increased 78 percent from the past week. Outstanding (unshipped) export sales of corn also increased from the past week. Although total wheat inspections dropped 11 percent from the previous week, Texas Gulf wheat inspections jumped 23 percent, boosted by a 37-percent jump in Texas Gulf rail deliveries to port (Table 3). Outstanding export sales of wheat continued

PNW Grain Operator Locks Out ILWU Labor

At 8 a.m. February 27, the United Grain Corporation (UGC) locked out workers from the International Longshore and Warehouse Union (ILWU) at its grain elevator in Vancouver, WA. UGC alleges ILWU workers tampered with the grain handling equipment in December 2012, but the ILWU says the allegations are unfounded. As a result, the local ILWU formed picket lines outside of the facility. Grain continues to move through the terminal with replacement workers that have been on standby since December when the ILWU contract negotiations reached an impasse. However, the ILWU had continued to work at the facility under the provisions of the new contract, which is currently in litigation. UGC reported it plans to use the replacement workers indefinitely.

Los Angeles and Long Beach Office Clerical Unit Agrees to New Contract

On February 20, negotiators for the International Longshore and Warehouse Union (ILWU) Local 63 Office Clerical Unit (OCU) at the Ports of Los Angeles and Long Beach voted and agreed to ratify the terms of the tentative labor agreements previously reached on December 4, 2012. These are the same agreements the OCU rejected during the ratification process on February 6, 2013. This action finalizes the negotiations that have been ongoing since June 2010 and that resulted in an 8-day strike last fall that closed 10 of the 14 container terminals at the port complex. The new contracts run through June 30, 2016.

Mississippi River Navigation Improves with Winter Rains and Snow

With recent rain and snow in the central portion of the country, navigation conditions have improved on most of the inland waterways. Without additional rain, river hydrograph forecasts by the Corps indicate the river flows will sustain navigation through mid-March. On February 28, the St. Louis, MO, river gage was at 3.1 feet, about 8 feet higher than minimum navigation depths. Also, the Thebes, IL, river gage was at 12.8 feet, nearly 12 feet higher than levels that would stop navigation. Rock removal operations between Grand Tower and Thebes, IL, are in the final stages. Barge operators report loading barges to 9+ foot drafts at most locations, which eliminates light loading of barges.

Snapshots by Sector

U.S. railroads originated 18,602 carloads of grain during the week ending February 16, up 6 percent from last week, down 14 percent from last year, and 15 percent lower than the 3-year average.

During the week ending February 21, average March non-shuttle secondary railcar bids/offers per car were \$27.50 below tariff, down \$32.50 from last week, and \$27.50 lower than last year. Average shuttle bids/offers were \$64.50 below tariff, down \$102 from last week, and \$97 higher than last year.

During the week ending February 23, barge grain movements totaled 421,679 tons, 5.8 percent lower than the previous week and 18 percent lower than the same period last year.

During the week ending February 23, 270 grain barges moved down river, down 11.8 percent from last week; 589 grain barges were unloaded in New Orleans, up 18.3 percent from the previous week.

During the week ending February 21, 34 ocean-going grain vessels were loaded in the Gulf, unchanged from the same period last year. Fifty-one vessels are expected to be loaded within the next 10 days, 11 percent more than the same period last year.

During the week ending February 22, the ocean freight rate for shipping bulk grain from the Gulf to Japan was \$46.50 per mt, unchanged from the previous week. The cost of shipping from the Pacific Northwest to Japan was \$25 per mt, up 2 percent from the previous week.

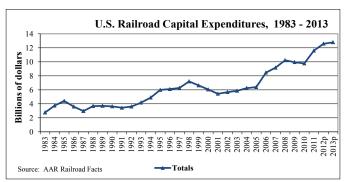
During the week ending February 25, U.S. average diesel fuel prices were unchanged from the previous week at \$4.16 per gallon—11 cents higher than the same week last year.

Preferred citation: U.S. Dept. of Agriculture, Agricultural Marketing Service. Grain Transportation Report. February 28, 2013. Web: http://dx.doi.org/10.9752/TS056.02-28-2013

Feature Article/Calendar

Railroads Investing in Rail Capacity

Major railroad capital expenditure investments in the United States during 2013 are expected to be \$12.8 billion, an investment that slightly exceeds the 2012 expenditures of \$12.6 billion. Although some of the increased expenditures are being spent on the legislatively-mandated Positive Train Control technology, much of the \$12.8 billion investment will be spent on increasing



intermodal and energy-related capacity, which will have limited direct benefits for grain and oilseed shippers, but will likely benefit agricultural and other shippers indirectly by expanding capacity and thereby reducing congestion. Major railroads will do less to expand their equipment fleets because they have the capacity to handle incremental volume increases and rail volume is expected to remain steady for commodities other than oil and intermodal.

BNSF Railway (BNSF) reports that it will invest approximately \$4.1 billion this year on capital improvements compared to \$3.6 billion in 2012. BNSF expects to invest approximately \$1 billion on locomotive, freight car, and other equipment, \$250 million on positive train control, and \$550 million on line, terminal, and intermodal expansion and efficiency projects. Major BNSF projects include capacity expansion to accommodate Bakken Shale-related oil growth and completion of the Kansas City Intermodal Facility and other projects to facilitate intermodal growth.

CSX Transportation (CSX) expects to invest \$2.3 billion in capital improvements during 2013. Much of CSX's capacity expansion is focused on the National Gateway, which is an \$850 million cooperative venture with the Federal government, six States, and the District of Columbia that includes capacity enhancements to rail freight and intermodal. The National Gateway is a high-volume, double-stack intermodal corridor from deep-water Mid-Atlantic ports to the Midwest. CSX plans to invest \$325 million for work associated with the implementation of positive train control.

Norfolk Southern (NS) reports a capital budget for 2013 of \$2 billion, compared to \$2.24 billion actually spent in 2012. The largest investment will be \$831 million for roadway improvements, including the maintenance and replacement of rail, ties, ballast, and bridges. NS plans to spend \$420 million to acquire new locomotives, rebuild locomotives, replace bodies on coal cars, and buy multi-level automotive cars. NS investment in facilities and terminals is expected to be \$203 million, including the continued project to expand the Bellevue rail yard in northern Ohio, construction of a new intermodal terminal in Charlotte, NC, and completion of a new locomotive service facility in Conway, PA. Continued investment in positive train control will amount to \$229 million.

Union Pacific Railroad (UP) anticipates total capital expenditures of \$3.6 billion for 2013. The budget includes \$1.6 billion for infrastructure replacement, \$670 million for facility projects, \$610 million for locomotive and equipment acquisitions, and \$450 million for positive train control.

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Grain Transportation Indicators

Table 1 **Grain Transport Cost Indicators**¹

_	Truck	Rail		Barge	Oc	cean
Week ending		Unit Train	Shuttle		Gulf	Pacific
02/27/13	279	232	209	182	208	177
02/20/13	279	233	219	181	208	174

¹Indicator: Base year 2000 = 100; Weekly updates include truck = diesel (\$/gallon); rail = near-month secondary rail market bid and monthly tariff rate with fuel surcharge (\$/car); barge = Illinois River barge rate (index = percent of tariff rate); and ocean = routes to Japan (\$/metric ton)

Source: Transportation & Marketing Programs/AMS/USDA

Table 2

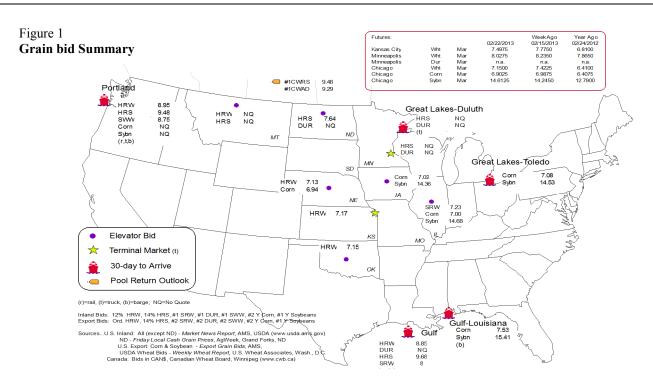
Market Update: U.S. Origins to Export Position Price Spreads (\$/bushel)

Commodity	OriginDestination	2/22/2013	2/15/2013
Com	ILGulf	0.52	-0.56
Corn		-0.53	
Corn	NEGulf	-0.59	-0.60
Soybean	IAGulf	-1.05	-1.00
HRW	KSGulf	-1.68	-1.64
HRS	NDPortland	-1.84	-1.92

Note: nq = no quote

Source: Transportation & Marketing Programs/AMS/USDA

The **grain bid summary** illustrates the market relationships for commodities. Positive and negative adjustments in differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.



Rail Transportation

Table 3

Rail Deliveries to Port (carloads)

,	Mississippi		Pacific	Atlantic &			Cross-Border
Week ending	Gulf	Texas Gulf	Northwest	East Gulf	Total	Week ending	Mexico ³
02/20/2013 ^p	249	1,195	4,886	570	6,900	02/16/13	1,002
02/13/2013 ^r	703	876	4,356	1,150	7,085	02/09/13	1,116
2013 YTD ^r	7,218	6,058	34,910	6,228	54,414	2013 YTD	8,535
2012 YTD ^r	1,988	5,482	36,350	4,082	47,902	2012 YTD	15,520
2013 YTD as % of 2012 YTD	363	111	96	153	114	% change YTD	55
Last 4 weeks as % of 2012 ²	169	135	90	129	103	Last 4wks % 2012	60
Last 4 weeks as % of 4-year avg. ²	97	56	109	101	96	Last 4wks % 4 yr	76
Total 2012	22,604	40,780	199,419	30,887	287,462	Total 2011	97,118
Total 2011	27,358	77,515	191,187	24,088	320,148	Total 2010	90,175

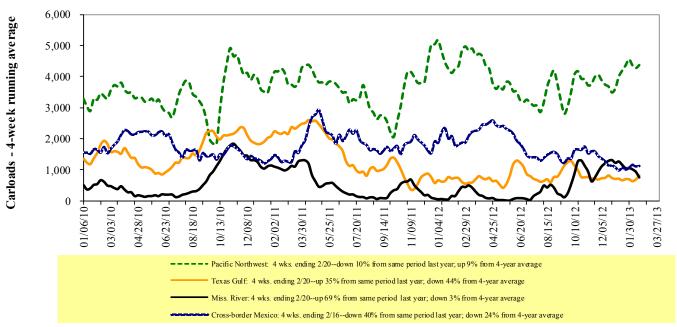
¹ Data is incomplete as it is voluntarily provided

Source: Transportation & Marketing Programs/AMS/USDA

Railroads originate approximately 29 percent of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Figure 2

Rail Deliveries to Port



Source: Transportation & Marketing Programs/AMS/USDA

² Compared with same 4-weeks in 2011 and prior 4-year average.

³ Cross- border weekly data is aproximately 15 percent below weekly AAR carloads received by Mexican railroads to reflect within switching between KCSM and FerroMex YTD = year-to-date; p = preliminary data; r = revised data; YTD PNW carloads includes revisions back to August 2011; n/a = not available

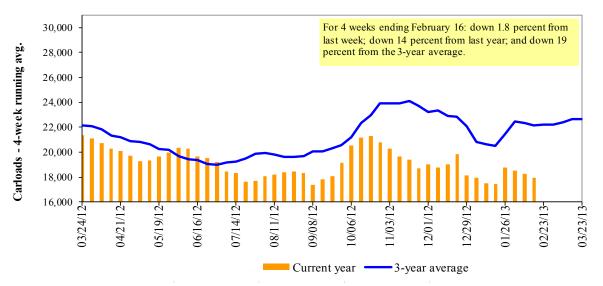
Table 4
Class I Rail Carrier Grain Car Bulletin (grain carloads originated)

	E	ast	West			U.S. total	Ca	nada
Week ending	CSXT	NS	BNSF	KCS	UP		CN	CP
02/16/13	1,462	2,775	10,274	364	3,727	18,602	3,652	5,257
This week last year	2,825	2,991	9,912	311	5,649	21,688	4,317	4,832
2013 YTD	11,389	18,883	67,688	3,607	26,609	128,176	26,487	38,788
2012 YTD	15,702	20,847	70,057	3,563	36,070	146,239	26,716	35,718
2013 YTD as % of 2012 YTD	73	91	97	101	74	88	99	109
Last 4 weeks as % of 2012	69	85	96	98	75	86	88	100
Last 4 weeks as % of 3-yr avg. ¹	71	88	88	79	68	81	89	111
Total 2012	85,384	145,336	515,638	26,936	244,077	1,017,371	204,068	266,266

¹As a percent of the same period in 2009 and the prior 3-year average. YTD = year-to-date.

Source: Association of American Railroads (www.aar.org)

Figure 3
Total Weekly U.S. Class I Railroad Grain Car Loadings



Source: Association of American Railroads

Table 5

Railcar Auction Offerings¹ (\$/car)²

Week ending				Delivery	period			
2/21/2013	Mar-13	Mar-12	Apr-13	Apr-12	May-13	May-12	Jun-13	Jun-12
BNSF ³								
COT grain units	0	3	0	0	0	0	no bids	no bids
COT grain single-car ⁵	0	12	no bids	110	no bids	110	no bids	no offer
UP^4								
GCAS/Region 1	no bids	1	no bids	no bids	no bids	no bids	n/a	n/a
GCAS/Region 2	no bids	no bids	no bids	no bids	no bids	no bids	n/a	n/a

¹Auction offerings are for single-car and unit train shipments only.

Region 1 includes: AR, IL, LA, MO, NM, OK, TX, WI, and Duluth, MN.

Region 2 includes: CO, IA, KS, MN, NE, WY, and Kansas City and St. Joseph, MO.

Source: Transportation & Marketing Programs/AMS/USDA.

²Average premium/discount to tariff, last auction

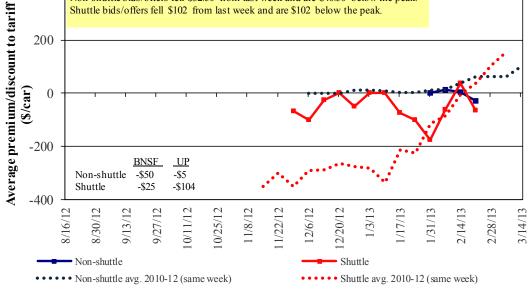
³BNSF - COT = Certificate of Transportation; north grain and south grain bids were combined effective the week ending 6/24/06.

⁴UP - GCAS = Grain Car Allocation System

⁵Range is shown because average is not available. Not available = n/a.

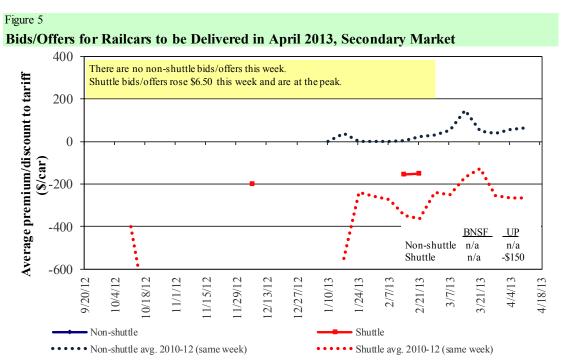
The secondary rail market information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The auction and secondary rail values are indicators of rail service quality and demand/ supply.

Figure 4 Bids/Offers for Railcars to be Delivered in March 2013, Secondary Market 400 Non-shuttle bids/offers fell \$32.50 from last week and are \$40.50 below the peak. Shuttle bids/offers fell \$102 from last week and are \$102 below the peak. 200



Non-shuttle bids include unit-train and single-car bids. n/a = not available.

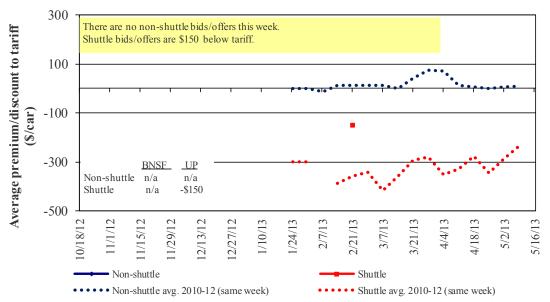
Source: Transportation & Marketing Programs/AMS/USDA



Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6
Bids/Offers for Railcars to be Delivered in May 2013, Secondary Market



Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Table 6

Weekly Secondary Railcar Market (\$/car)¹

Week ending			Delive	ry period		
2/21/2013	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13
Non-shuttle						
BNSF-GF	(50)	n/a	n/a	n/a	n/a	n/a
Change from last week	n/a	n/a	n/a	n/a	n/a	n/a
Change from same week 2011	(50)	n/a	n/a	n/a	n/a	n/a
UP-Pool	(5)	n/a	n/a	n/a	n/a	n/a
Change from last week	(10)	n/a	n/a	n/a	n/a	n/a
Change from same week 2011	(5)	n/a	n/a	n/a	n/a	n/a
Shuttle ²						
BNSF-GF	(25)	n/a	n/a	n/a	(125)	(125)
Change from last week	(150)	n/a	n/a	n/a	n/a	n/a
Change from same week 2011	150	n/a	n/a	n/a	n/a	n/a
UP-Pool	(104)	(150)	(150)	n/a	n/a	(50)
Change from last week	(54)	50	n/a	n/a	n/a	-
Change from same week 2011	44	n/a	n/a	n/a	n/a	n/a

¹Average premium/discount to tariff, \$/car-last week

Note: Bids listed are market INDICATORS only & are NOT guaranteed prices,

n/a = not available; GF = guaranteed freight; Pool = guaranteed pool

 $Sources:\ Transportation\ and\ Marketing\ Programs/AMS/USDA$

Data from Atwood/Con Agra, Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.

²Shuttle bids are a new data series; prior to this we provided only non-shuttle rates.

Table 7

Tariff Rail Rates for Unit and Shuttle Train Shipments¹

Effective date:			Touis	Fuel	Tariff plus averal	lango nom	Percent
2/1/2013	Origin region*	Destination region*	Tariff rate/car	surcharge _ per car	Tariff plus surch	bushel ²	change Y/Y ³
Unit train	Origin region	Destination region	Tate/Cai	per car	metric ton	busiler	1/1
Wheat	Wichita, KS	St. Louis, MO	\$3,144	\$192	\$33.13	\$0.90	5
	Grand Forks, ND	Duluth-Superior, MN	\$3,543	\$110	\$36.28	\$0.99	9
	Wichita, KS	Los Angeles, CA	\$6,026	\$566	\$65.46	\$1.78	3
	Wichita, KS	New Orleans, LA	\$3,645	\$338	\$39.56	\$1.08	4
	Sioux Falls, SD	Galveston-Houston, TX	\$5,573	\$465	\$59.96	\$1.63	0
	Northwest KS	Galveston-Houston, TX	\$3,912	\$371	\$42.53	\$1.16	4
	Amarillo, TX	Los Angeles, CA	\$4,112	\$516	\$45.95	\$1.25	4
Corn	Champaign-Urbana, IL	New Orleans, LA	\$3,110	\$382	\$34.68	\$0.94	3
	Toledo, OH	Raleigh, NC	\$4,508	\$433	\$49.07	\$1.34	3
	Des Moines, IA	Davenport, IA	\$2,006	\$81	\$20.72	\$0.56	4
	Indianapolis, IN	Atlanta, GA	\$3,920	\$325	\$42.15	\$1.15	3
	Indianapolis, IN	Knoxville, TN	\$3,354	\$209	\$35.38	\$0.96	3
	Des Moines, IA	Little Rock, AR	\$3,154	\$238	\$33.68	\$0.92	3
	Des Moines, IA	Los Angeles, CA	\$5,065	\$693	\$57.18	\$1.56	2
Soybeans	Minneapolis, MN	New Orleans, LA	\$3,659	\$417	\$40.48	\$1.10	5
	Toledo, OH	Huntsville, AL	\$3,575	\$308	\$38.56	\$1.05	3
	Indianapolis, IN	Raleigh, NC	\$4,578	\$436	\$49.79	\$1.36	3
	Indianapolis, IN	Huntsville, AL	\$3,267	\$209	\$34.51	\$0.94	3
	Champaign-Urbana, IL	New Orleans, LA	\$3,599	\$382	\$39.54	\$1.08	6
Shuttle Train							
Wheat	Great Falls, MT	Portland, OR	\$4,639	\$326	\$49.30	\$1.34	36
	Wichita, KS	Galveston-Houston, TX	\$3,634	\$253	\$38.60	\$1.05	11
	Chicago, IL	Albany, NY	\$3,771	\$406	\$41.48	\$1.13	4
	Grand Forks, ND	Portland, OR	\$5,061	\$562	\$55.84	\$1.52	5
	Grand Forks, ND	Galveston-Houston, TX	\$6,082	\$586	\$66.21	\$1.80	4
	Northwest KS	Portland, OR	\$4,880	\$608	\$54.49	\$1.48	3
Corn	Minneapolis, MN	Portland, OR	\$4,800	\$685	\$54.47	\$1.48	1
	Sioux Falls, SD	Tacoma, WA	\$4,760	\$627	\$53.50	\$1.46	1
	Champaign-Urbana, IL	New Orleans, LA	\$2,929	\$382	\$32.88	\$0.89	3
	Lincoln, NE	Galveston-Houston, TX	\$3,310	\$366	\$36.50	\$0.99	1
	Des Moines, IA	Amarillo, TX	\$3,510	\$299	\$37.83	\$1.03	3
	Minneapolis, MN	Tacoma, WA	\$4,800	\$679	\$54.41	\$1.48	1
	Council Bluffs, IA	Stockton, CA	\$4,200	\$703	\$48.69	\$1.33	1
Soybeans	Sioux Falls, SD	Tacoma, WA	\$5,320	\$627	\$59.06	\$1.61	6
	Minneapolis, MN	Portland, OR	\$5,330	\$685	\$59.73	\$1.63	6
	Fargo, ND	Tacoma, WA	\$5,230	\$558	\$57.47	\$1.56	6
	Council Bluffs, IA	New Orleans, LA	\$3,950	\$441	\$43.60	\$1.19	6
	Toledo, OH	Huntsville, AL	\$2,750	\$308	\$30.36	\$0.83	3
	Grand Island, NE	Portland, OR Shuttle train rates are available for or	\$5,195	\$622	\$57.77	\$1.57	2

¹A unit train refers to shipments of at least 25 cars. Shuttle train rates are available for qualified shipments of

⁷⁵⁻¹²⁰ cars that meet railroad efficiency requirements.

 $^{^2}$ Approximate load per car = 111 short tons (100.7 metric tons): com 56 lbs./bu., wheat & soybeans 60 lbs./bu.

³Percentage change year over year calculated using tariff rate plus fuel surchage

Sources: www.bnsf.com, www.cpr.ca, www.csx.com, www.uprr.com

^{*}Regional economic areas defined by the Bureau of Economic Analysis (BEA)

Table 8

Tariff Rail Rates for U.S. Bulk Grain Shipments to Mexico

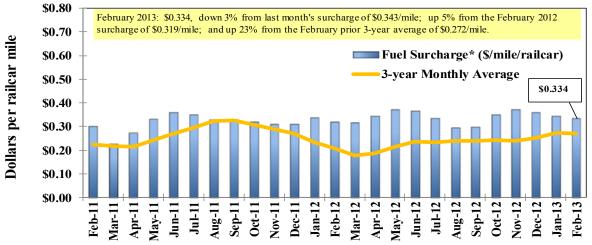
Effective date	e: 2/1/2013			Fuel			Percent
	Origin		Tariff	surcharge	Tariff plus surcl	narge per:	change
Commodity	state	Destination region	rate/car ¹	per car ²	metric ton ³	bus hel ³	Y/Y ⁴
Wheat	MT	Chihuahua, CI	\$6,762	\$595	\$75.17	\$2.04	-11
	OK	Cuautitlan, EM	\$6,552	\$723	\$74.33	\$2.02	-2
	KS	Guadalajara, JA	\$7,444	\$698	\$83.19	\$2.26	-2
	TX	Salinas Victoria, NL	\$3,553	\$272	\$39.09	\$1.06	-3
Corn	IA	Guadalajara, JA	\$7,699	\$821	\$87.05	\$2.21	-1
	SD	Celaya, GJ ⁵	\$7,356	\$778	\$83.12	\$2.11	n/a
	NE	Queretaro, QA	\$7,153	\$729	\$80.54	\$2.04	1
	SD	Salinas Victoria, NL	\$5,700	\$592	\$64.29	\$1.63	1
	MO	Tlalnepantla, EM	\$6,592	\$709	\$74.59	\$1.89	4
	SD	Torreon, CU	\$6,522	\$652	\$73.30	\$1.86	0
Soybeans	MO	Bojay (Tula), HG	\$7,580	\$693	\$84.53	\$2.30	8
	NE	Guadalajara, JA	\$8,134	\$792	\$91.20	\$2.48	2
	IA	El Castillo, JA	\$8,555	\$774	\$95.32	\$2.59	4
	KS	Torreon, CU	\$6,651	\$491	\$72.98	\$1.98	2
Sorghum	TX	Guadalajara, JA	\$6,464	\$507	\$71.22	\$1.81	-2
	NE	Celaya, GJ ⁵	\$6,997	\$707	\$78.71	\$2.00	n/a
	KS	Queretaro, QA	\$6,815	\$444	\$74.17	\$1.88	6
	NE	Salinas Victoria, NL	\$5,438	\$520	\$60.87	\$1.54	6
	NE	Torreon, CU	\$6,153	\$580	\$68.80	\$1.75	0

¹Rates are based upon published tariff rates for high-capacity shuttle trains. Shuttle trains are available for qualified

Sources: www.bnsf.com, www.uprr.com, www.kcsouthern.com

Figure 7

Railroad Fuel Surcharges, North American Weighted Average¹



¹ Weighted by each Class I railroad's proportion of grain traffic for the prior year.

Sources: www.bnsf.com, www.cn.ca, www.cpr.ca, www.csx.com, www.kcsi.com, www.nscorp.com, www.uprr.com

shipments of 75--110 cars that meet railroad efficiency requirements.

²Fuel surcharge adjusted to reflect the change in Ferrocarril Mexicano, S.A. de C.V railroad fuel surcharge policy as of 10/01/2009

³Approximate load per car = 97.87 metric tons: Corn & Sorghum 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

⁴Percentage change year over year calculated using tariff rate plus fuel surchage

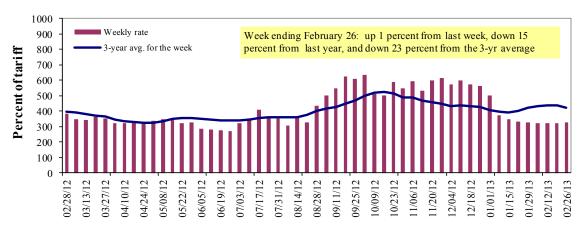
⁵ Beginning 11/1/12, Celaya, GJ, replaced Penjamo, GJ, as the destination.

^{*} Mileage-based fuel surcharges for March and April 2007 are estimated. Beginning January 2009, the Canadian Pacific fuel surcharge is computed by a monthly average of the bi-weekly fuel surcharge.

^{**} BNSF strike price (diesel price when fuel surcharges begin) changed from \$1.25/gal. to \$2.50/gal starting March 1, 2011. As a result, the weighted average fuel surcharge for March 2011 was \$0.227/mile instead of \$0.331/mile.

Barge Transportation

Figure 8
Illinois River Barge Freight Rate^{1,2}



¹Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); ²4-week moving average of the 3-year average.

Source: Transportation & Marketing Programs/AMS/USDA

Table 9
Weekly Barge Freight Rates: Southbound Only

	Daige Freight R		0 11111					
		Twin	Mid-	Lower Illinois			Lower	Cairo-
					~	~		
		Cities Mi	ssissippi	River	St. Louis	Cincinnati	Ohio	Memphis
Rate ¹	2/26/2013	-	_	327	254	220	220	185
	2/19/2013	_	_	325	250	220	220	185
	2/19/2013	_	_	323	230	220	220	103
\$/ton	2/26/2013	_	_	15.17	10.13	10.32	8.89	5.81
φ/ton								
	2/19/2013	=	-	15.08	9.98	10.32	8.89	5.81
Curren	t week % change f	rom the same	week:					
curren	to week /o change i	i om the sume	Week.					
	Last year	-	-	-15	-10	-36	-36	-24
	3-year avg. ²	_	_	-23	-22	-39	-39	-35
	3-year avg.			-23	-22	-37	-37	-33
Rate ¹	March	-	-	323	250	223	223	185
	May	343	308	300	250	218	218	185

¹Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); ²4-week moving average; ton = 2,000 pounds: - closed for winter or no rates

Source: Transportation & Marketing Programs/AMS/USDA

Calculating barge rate per ton:

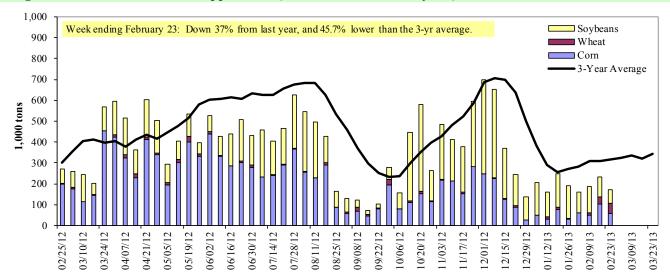
(Index * 1976 tariff benchmark rate per ton)/100

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map (see figure 9).



Figure 10

Barge Movements on the Mississippi River¹ (Locks 27 - Granite City, IL)



¹ The 3-year average is a 4-week moving average.

Source: U.S. Army Corps of Engineers

Table 10 **Barge Grain Movements (1,000 tons)**

Week ending 2/23/2013	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	0	0	0	0	0
Winfield, MO (L25)	0	3	0	0	3
Alton, IL (L26)	58	52	38	0	149
Granite City, IL (L27)	57	49	65	0	171
Illinois River (L8)	50	60	25	0	135
Ohio River (L52)	55	22	112	3	192
Arkansas River (L1)	0	50	8	0	59
Weekly total - 2013	112	121	185	3	422
Weekly total - 2012	294	28	188	5	514
2013 YTD ¹	704	548	2,314	46	3,612
2012 YTD	2,798	212	2,097	36	5,144
2013 as % of 2012 YTD	25	258	110	126	70
Last 4 weeks as % of 2012 ²	27	30	93	91	66
Total 2012	14,837	1,794	12,663	229	29,523

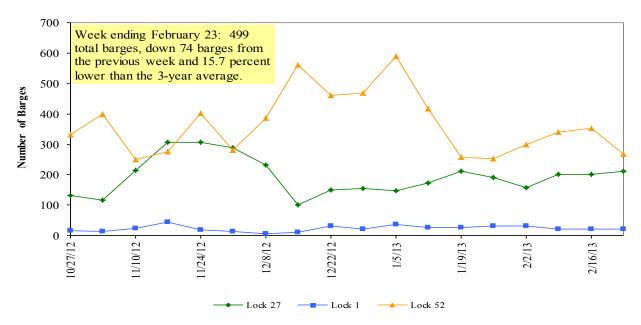
Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

Note: Total may not add exactly, due to rounding

Source: U.S. Army Corps of Engineers

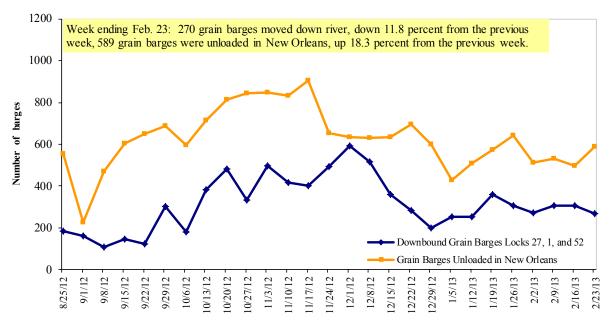
² As a percent of same period in 2012.

Figure 11
Upbound Empty Barges Transiting Mississippi River Locks 27, Arkansas River Lock and Dam 1, and Ohio River Locks and Dam 52



Source: U.S. Army Corps of Engineers

Figure 12 **Grain Barges for Export in New Orleans Region**



Source: U.S. Army Corps of Engineers and GIPSA

Truck Transportation

The **weekly diesel price** provides a proxy for trends in U.S. truck rates as diesel fuel is a significant expense for truck grain movements.

Table 11

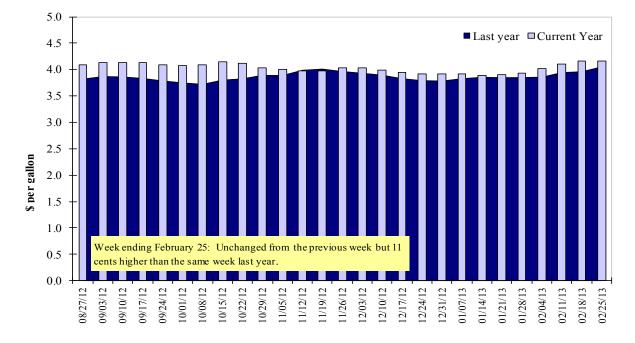
Retail on-Highway Diesel Prices¹, Week Ending 2/25/2013 (US \$/gallon)

			Chang	e from
Region	Location	Price	Week ago	Year ago
I	East Coast	4.201	0.002	0.067
	New England	4.344	0.010	0.123
	Central Atlantic	4.262	0.008	0.054
	Lower Atlantic	4.129	-0.004	0.066
II	Midwest ²	4.121	-0.011	0.207
III	Gulf Coast ³	4.089	0.021	0.097
IV	Rocky Mountain	4.057	0.025	0.138
V	West Coast	4.299	-0.004	-0.027
	West Coast less California	4.221	-0.015	-0.006
	California	4.365	0.004	-0.045
Total	U.S.	4.159	0.002	0.108

¹Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

Source: Energy Information Administration/U.S. Department of Energy (www.eia.doe.gov)

Figure 13
Weekly Diesel Fuel Prices, U.S. Average



Source: Retail On-Highway Diesel Prices, Energy Information Administration, Dept. of Energy

²Same as North Central ³Same as South Central

Grain Exports

Table 12

U.S. Export Balances and Cumulative Exports (1,000 metric tons)

•		•	Wh	eat			Corn	Soybeans	Total
Week ending	HRW	SRW	HRS	SWW	DUR	All wheat			
Export Balances 1									
2/14/2013	1,810	1,636	1,259	941	81	5,726	5,470	4,769	15,965
This week year ago	1,215	913	1,229	1,708	22	5,087	10,729	5,979	21,795
Cumulative exports-marketing year ²									
2012/13 YTD	6,282	2,550	4,121	3,312	356	16,622	8,773	29,141	54,536
2011/12 YTD	7,310	2,390	4,658	3,663	388	18,409	19,435	22,332	60,176
YTD 2012/13 as % of 2011/12	86	107	88	90	92	90	45	130	91
Last 4 wks as % of same period 2011/12	146	174	94	57	427	110	51	105	80
2011/12 Total	9,904	4,319	6,312	5,601	491	26,627	37,900	36,727	101,254
2010/11 Total	15,837	2,828	8,623	4,717	979	32,984	44,569	39,753	117,306

¹ Current unshipped export sales to date

Note: YTD = year-to-date. Marketing Year: wheat = 6/01-5/31, corn & soybeans = 9/01-8/31

Source: Foreign Agricultural Service/USDA (www.fas.usda.gov)

Table 13 **Top 5 Importers**¹ **of U.S. Corn**

Week ending 02/14/2013	Total Comm	itments ²	% change	Exports ³
	2012/13	2011/12	current MY	
	Current MY	Last MY	from last MY	2011/12
	- 1,00	00 mt -		- 1,000 mt -
Japan	4,814	7,851	(39)	12,367
Mexico	3,244	7,745	(58)	9,617
China	1,959	3,654	(46)	5,414
Korea	360	3,219	(89)	3,639
Venezuela	375	566	(34)	1,332
Top 5 Importers	10,752	23,036	(53)	32,369
Total US corn export sales	14,244	30,164	(53)	39,180
% of Projected	62%	77%		
Change from prior week	362	841		
Top 5 importers' share of U.S.				
corn export sales	75%	76%		83%
USDA forecast, February 2013	22,860	39,180	(42)	
Corn Use for Ethanol USDA				
forecast, Ethanol February 2013	114,300	127,000	(10)	

⁽n) indicates negative number.

² Shipped export sales to date; new marketing year begins for corn and soybeans

¹Based on FAS Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year (MY) = Sep 1 - Aug 31.

²Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report, or Export Sales Query-http://www.fas.usda.gov/esrquery/

³FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm(Carry-over plus Accumulated Exports)

Table 14

Top 5 Importers¹ of U.S. Soybeans

Week Ending 02/14/2013	Total Commitments²		% change	Exports ³
	2012/13	2011/12	current MY	
	Current MY	Last MY	from last MY	2011/12
	- 1,000 r	nt -		- 1,000 mt -
China	20,739	19,242	8	24,602
Mexico	1,704	1,890	(10)	3,180
Japan	1,352	1,254	8	1,891
Indonesia	953	970	(2)	1,741
Egypt	609	572	6	1,292
Top 5 importers	25,357	23,928	6	32,706
Total US soybean export sales	33,910	28,311	20	37,060
% of Projected	93%	76%		
Change from prior week	(120)	1,084		
Top 5 importers' share of U.S.				
soybean export sales	75%	85%		
USDA forecast, February 2013	36,610	37,060	(1)	

⁽n) indicates negative number.

Table 15 **Top 10 Importers**¹ **of All U.S. Wheat**

Week Ending 02/14/2013	Total Commi	itments ²	% change	Exports ³
	2012/13	2011/12	current MY	-
	Current MY	Last MY	from last MY	2011/12
	- 1,0	000 mt -		- 1,000 mt -
Japan	3,031	3,294	(8)	3,512
Mexico	2,551	3,083	(17)	3,496
Nigeria	2,488	2,683	(7)	3,248
Philippines	1,786	1,869	(4)	2,039
Korea	1,343	1,579	(15)	1,983
Egypt	1,132	445	155	950
Taiwan	890	769	16	888
Indonesia	434	676	(36)	830
Venezuela	559	540	3	594
Iraq	209	572	(63)	572
Top 10 importers	14,421	15,510	(7)	18,111
Total US wheat export sales	22,348	23,496	(5)	28,560
% of Projected	78%	82%		
Change from prior week	699	702	<u> </u>	
Top 10 importers' share of]	
U.S. wheat export sales	65%	66%		63%
USDA forecast, February 2012	28,580	28,560	0.1	

⁽n) indicates negative number.

¹Based on FAS Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year (MY) = Sep 1 - Aug 31.

 $^{^2} Cumulative \ Exports \ (shipped) + Outstanding \ Sales \ (unshipped), FAS \ Weekly \ Export \ Sales \ Report, or \ Export \ Sales \ Query-http://www.fas.usda.gov/esrquery/$

³ FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm. (Carryover plus Accumulated Exports)

¹ Based on FAS Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Jun 1 - May 31.

 $^{^2 \} Cumulative \ Exports \ (shipped) + Outstanding \ Sales \ (unshipped), FAS \ Weekly \ Export \ Sales \ Report, or \ Export \ Sales \ Query--http://www.fas.usda.gov/esrquery/$

 $^{^3\} FAS\ Marketing\ Year\ Final\ Reports\ -\ www.fas.usda.gov/export-sales/myfi_rpt.htm.$

Table 16 Grain Inspections for Export by U.S. Port Region (1,000 metric tons)

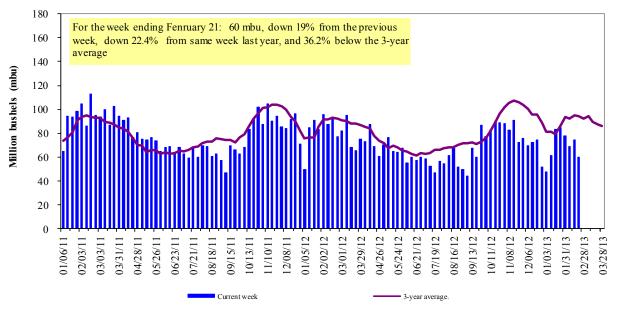
Port	Week ending	Previous	Current Week			2013 YTD as	Last 4-w	eeks as % of	Total ¹
regions	02/21/13	Week ¹	as % of Previous	2013 YTD ¹	2012 YTD ¹	% of 2012 YTD	2012	3-yr. avg.	2012
Pacific Northwes	t					·			
Wheat	300	213	141	1,982	1,905	104	86	98	12,625
Corn	62	65	96	611	808	76	58	54	5,512
Soybeans	263	381	69	2,278	2,149	106	112	120	10,347
Total	624	658	95	4,870	4,861	100	92	99	28,484
Mississippi Gulf	024	030	73	4,070	4,001	100	/=	,,	20,101
Wheat	145	259	56	1,080	722	150	241	232	5,462
Corn	206	116	178	1,365	3,921	35	28	29	18,068
Soybeans	362	619	58	5,109	4,982	103	90	84	24,684
Total	713	994	72	7,555	9,626	78	72	70	48,215
Texas Gulf	/10	<i>,,,</i> ,	72	1,000	7,020	70	/ -	70	10,213
Wheat	127	103	123	737	705	104	133	52	5,912
Corn	2	0	n/a	5	35	13	7	2	336
Soybeans	0	0	n/a	122	0	n/a	n/a	34	626
Total	129	103	125	864	741	117	135	44	6,874
Interior									,
Wheat	5	14	35	150	125	120	201	40	1,218
Corn	24	64	37	331	1,252	26	122	31	6,115
Soybeans	89	90	99	715	714	100	32	118	4,204
Total	118	168	70	1,196	2,091	57	39	61	11,538
Great Lakes									
Wheat	0	0	n/a	2	0	n/a	n/a	0	481
Corn	0	0	n/a	0	14	0	n/a	0	56
Soybeans	0	0	n/a	3	1	319	319	956	713
Total	0	0	n/a	5	15	33	319	44	1,250
Atlantic									
Wheat	0	58	0	108	2	6,953	n/a	204	341
Corn	0	2	0	2	38	5	11	8	143
Soybeans	29	22	133	451	244	185	162	134	1,460
Total	29	82	36	561	283	198	201	133	1,944
U.S. total from p	orts ²								
Wheat	577	646	89	4,059	3,459	117	122	101	26,040
Corn	294	246	119	2,313	6,068	38	32	32	30,230
Soybeans	743	1,112	67	8,679	8,089	107	102	96	42,035
Total	1,615	2,005	81	15,051	17,616	85	81	76	98,305

Data includes revisions from prior weeks; some regional totals may not add exactly due to rounding.

² Total includes only port regions shown above; Interior land-based shipments now included. Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov); YTD= year-to-date; n/a = not applicable

The United States exports approximately one-quarter of the grain it produces. On average, this includes nearly 45 percent of U.S.-grown wheat, 35 percent of U.S.-grown soybeans, and 20 percent of the U.S.-grown corn. Approximately 56 percent of the U.S. export grain shipments departed through the U.S. Gulf region in 2012.

Figure 14
U.S. grain inspected for export (wheat, corn, and soybeans)

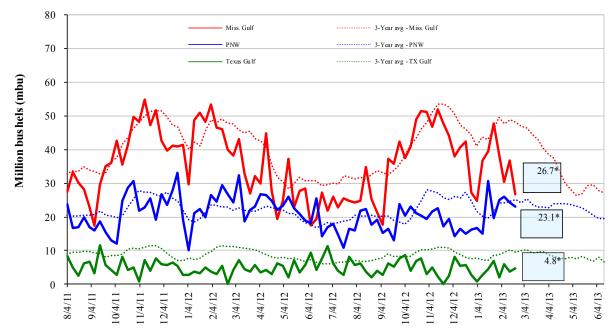


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

Note: 3-year average consists of 4-week running average

Figure 15

U.S. Grain Inspections: U.S. Gulf and PNW¹ (wheat, corn, and soybeans)



Source: Grain Inspection, Packers and Stocky ards Administration/USDA (www.gipsa.usda.gov); *mbu, this week.

Februay 21 % change from:	MSGulf	TX Gulf	U.S. Gulf	<u>PNW</u>	
Last week	down 27	up 25	down 22	down 5	
Last year (same week)	down 33	up 10,126	down 21	up 13	
3-yr avg. (4-wk mov. avg.)	down 44	down 50	down 45	up 11	

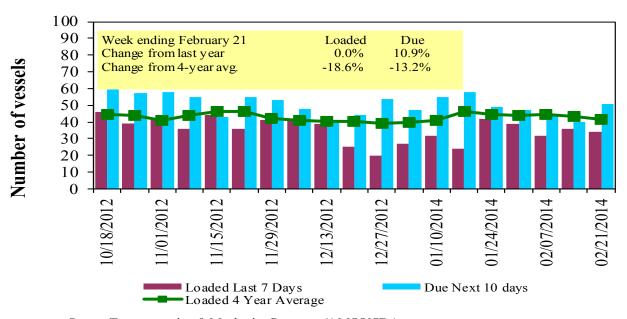
Ocean Transportation

Table 17
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

				Pacific	Vancouver
		Gulf		Northwest	B.C.
		Loaded	Due next		
Date	In port	7-days	10-days	In port	In port
2/21/2013	27	34	51	15	n/a
2/14/2013	33	36	40	16	n/a
2012 range	(1350)	(1346)	(2778)	(420)	n/a
2012 avg.	28	33	46	11	n/a

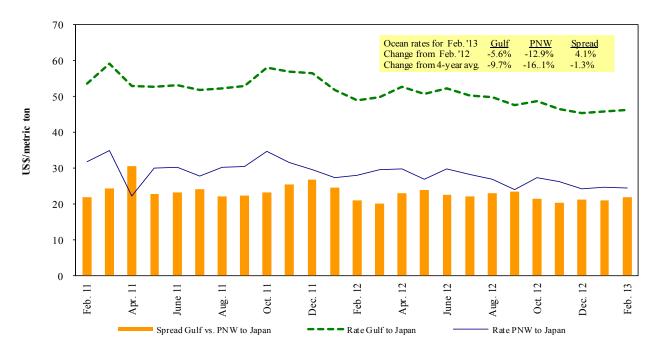
Source: Transportation & Marketing Programs/AMS/USDA

Figure 16
U.S. Gulf¹ Vessel Loading Activity



 $Source: Transportation \&\,Marketing\,Programs/AMS/USDA$

Figure 17 **Grain Vessel Rates, U.S. to Japan**



Source: O'Neil Commodity Consulting

Table 18
Ocean Freight Rates For Selected Shipments, Week Ending 02/23/2013

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US\$/metric ton)
U.S. Gulf	China	Heavy Grain	Jan 25/Fe 5	55,000	43.05
U.S. Gulf	China	Heavy Grain	Jan 15/25	55,000	42.75
U.S. Gulf	China	Heavy Grain	Jan 10/18	55,000	43.00
U.S. Gulf	China	Heavy Grain	Jan 10/15	65,000	43.00
U.S. Gulf	China	Heavy Grain	Jan 25/Feb5	55,000	43.05
U.S. Gulf	Egypt Med	Heavy Grain	Feb 20/Mar 5	60,000	23.25
U.S. Gulf	China	Heavy Grain	Feb 1/5	54,000	20.50
U.S. Gulf PNW	Djibouti ¹ China	Wheat & Sorghum Heavy Grain	Feb 4/14 Feb 1/5	28,310 54,000	124.22 20.50
Australia	Italy	Heavy Grain	Feb 10/25	58,000	27.00
Brazil	China	Heavy Grain	Mar 1/10	60,000	38.25
Brazil	China	Heavy Grain	Mar 3/12	60,000	35.00
Brazi	China	Heavy Grain	May 1/5	60,000	35.35
Brazil	China	Heavy Grain	Feb 19/22	60,000	34.50
Brazil	China	Heavy Grain	Feb 10/19	60,000	35.50
Brazil	China	Heavy Grain	Feb 8/23	60,000	35.50
France	Algeria	Wheat	Feb 20/25	30,000	18.50
River Plate	Egypt	Heavy Grain	Jan 15/20	60,000	9.50

Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option

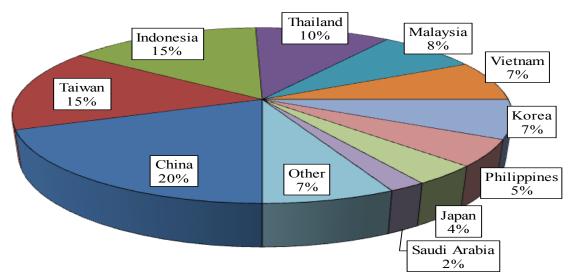
Source: Maritime Research Inc. (www.maritime-research.com)

¹50 percent of food aid from the United States is required to be shipped on U.S.-flag vessels.

In 2011, containers were used to transport 7 percent of total U.S. waterborne grain exports, up 2 percentage points from 2010. Approximately 11 percent of U.S. waterborne grain exports in 2011 went to Asia in containers, up 4 percentage points from 2010. Asia is the top destination for U.S. containerized grain exports—96 percent in 2011.

Figure 18

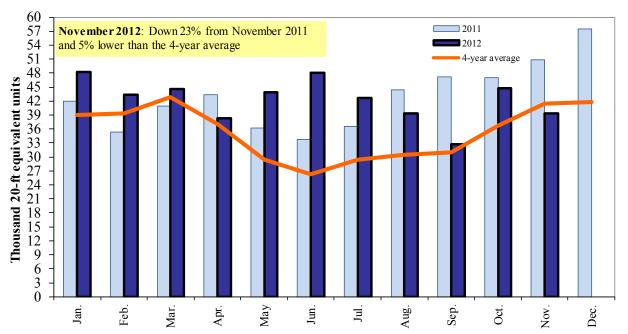
Top 10 Destination Markets for U.S. Containerized Grain Exports, November 2012



Source: USDA/Agricultural Marketing Service/Transportation Services Division analysis of Port Import Export Reporting Service (PIERS) data

Note: The following Harmonized Tariff Codes are used to calculate containerized grains movements: 100190, 100200, 100300, 100400, 100590, 100700, 110100, 230310, 110220, 110290, 120100, 230210, 230990, 230330, and 120810.

Figure 19
Monthly Shipments of Containerized Grain to Asia



Source: USDA/Agricultural Marketing Service/Transportation Services Division analysis of Port Import Export Reporting Service (PIERS) data Note: The following Harmonized Tariff Codes are used to calculate containerized grains movements: 100190, 100200, 100300, 100400, 100590, 100700, 110100, 230310, 110220, 110290, 120100, 230210, 230990, 230330, and 120810.

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